SASKATCHEWAN SNOWMOBILE FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2013

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Saskatchewan Snowmobile Fund, which comprise the statement of financial position as at March 31, 2013, and the statement of operations and accumulated surplus and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Snowmobile Fund as at March 31, 2013, and the results of its operations and accumulated surplus, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 5, 2013

Bonnie Lysyk, MBA, CA
Provincial Auditor

1500 Chateau Tower - 1920 Broad Street - Regina, Saskatchewan S4P 3V2
t 306.787.6398 f 306.787.6383 e info@auditor.sk.ca
) www.auditor.sk.ca

Saskatchewan Snowmobile Fund **STATEMENT 1**
STATEMENT OF FINANCIAL POSITION

As at March 31

	2013	2012
FINANCIAL ASSETS		
Cash	$ 3,965	$ 4,341
Accounts receivable (Note 8)	56,140	48,090
Investments (Note 5)	1,500,106	1,048,388
GST receivable	2,600	2,465
	$1,562,811	$1,103,284
LIABILITIES		
Due to Saskatchewan Snowmobile Association Inc.	$155,780	$135,515
Accounts payable	15	-
	155,795	135,515
Net Financial Assets	$1,407,016	$967,769
NON FINANCIAL ASSETS		
Tangible capital assets (Note 3)	-	$ -
Accumulated Surplus (Statement 2) (Note 9)	$ 1,407,016	$ 967,769

(See accompanying notes to the financial statements)

Saskatchewan Snowmobile Fund **STATEMENT 2**
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended March 31

	2013		2012
	Budget (Note 6)	**Actual**	**Actual**
REVENUES			
Transfer from General Revenue Fund – Ministry of Parks, Culture and Sport (Note 1)	$1,673,000	$1,631,490	$ 1,123,360
Interest & other revenue	4,600	3,947	4,187
Total Revenues	1,677,600	1,635,437	1,127,547
EXPENSES			
Trail funding to clubs	1,405,365	930,705	1,200,571
Liability insurance	33,000	33,171	28,219
Administration	146,325	144,719	127,196
Travel and meetings	13,000	14,251	11,411
Marketing and promotion	22,735	27,726	20,015
Safety expenses	57,175	45,618	41,962
Total Expenses (Note 7)	1,677,600	1,196,190	1,429,374
Operating Surplus (Deficit) for the Year	-	439,247	(301,827)
Accumulated Surplus, beginning of year		967,769	1,269,596
Accumulated Surplus, end of year – to Statement 1		$1,407,016	$ 967,769

(See accompanying notes to the financial statements)

Saskatchewan Snowmobile Fund
STATEMENT OF CASH FLOWS

STATEMENT 3

Year Ended March 31

	2013	2012
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund – Ministry of Parks, Culture and Sport	$ 1,623,440	$ 1,122,441
Receipts of interest and other revenue	3,947	4,187
Payments to suppliers	(230,954)	(209,332)
Payments for travel and meetings	(14,251)	(11,411)
GST refund received	(135)	800
Transfers to clubs for trail funding	(930,705)	(1,200,571)
	451,342	(293,886)
Cash flows (used in) from investing activities:		
Purchase of investments	(1,548,947)	(1,273,678)
Sale of investments	1,097,229	1,425,000
	(451,718)	151,322
Net decrease in cash	(376)	(142,564)
Cash, beginning of year	4,341	146,905
Cash, end of year	$ 3,965	$ 4,341

(See accompanying notes to the financial statements)

SASKATCHEWAN SNOWMOBILE FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2013

1. Legislative authority

The Saskatchewan Snowmobile Fund was established pursuant to section 20.7 of *The Snowmobile Act*. The Fund's purpose is to provide funding for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails. The Minister responsible for *The Snowmobile Act* appointed the Saskatchewan Snowmobile Association Inc. to administer the Fund as trail manager. The trail manager is responsible for establishing the trail funding allocation criteria for the distribution of the money in the Fund to the snowmobile clubs who maintain the trails.

Pursuant to an agreement with the Ministry of Parks, Culture and Sport, the Ministry is committed to provide yearly grants to the Fund. The grant is determined on the number of snowmobile registrations in the province multiplied by the permit fee described in *The Snowmobile Regulations 1998*.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards as the fund is classified as an other government organization. A Statement of Changes in Net Financial Assets has not been prepared as the information is readily apparent from the financial statements. These statements do not include a Statement of Remeasurement gains or losses as the Fund has no activities that give rise to remeasurement gains or losses. As a result, the accumulated surplus is the same as its accumulated operating surplus. The following accounting principles are considered significant:

a) Tangible capital assets

Individual capital assets costing more than $500 are capitalized. Amortization of these capital assets commences in the year of acquisition and is calculated on the straight-line basis over their useful lives as follows:

Furniture & equipment	5-10 years
Computer equipment	3 years

b) Investments

Investments are recorded at cost.

c) Trail funding to clubs

Trail funding to clubs is recorded as an expense when funding requests have been approved and the clubs have met the eligibility criteria.

d) Revenue

Trail permit revenue is recognized as other revenue when the permit is issued.

Transfer from the General Revenue Fund – Ministry of Parks, Culture and Sport is recognized based on the annual snowmobile registration fees collected by Saskatchewan Government Insurance and remitted to the General Revenue Fund.

e) Use of estimates

These statements are prepared in conformity with Canadian public sector accounting standards. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

f) Application of New Accounting Standards

Effective April 1, 2012, the Fund applied the following standards on a prospective basis. The application of these standards have had no effect on these financial statements.

i) PS1201 – Financial Statement Presentation
ii) PS2601 – Foreign Currency Translation
iii) PS3450 – Financial Instruments

3. Tangible capital assets

	2013			2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture & equipment	$ 2,718	$ 2,718	$ -	$ -

Computer equipment is no longer in use.

4. Financial instruments

The Fund's financial instruments include cash, accounts receivable, investments, accounts payable, GST receivable, and due to Saskatchewan Snowmobile Association Inc. Information about the fair value of investments is disclosed in Note 5. The fair value of the other instruments approximates their carrying value due to their immediate or short-term nature. Credit risk from the potential non-payment of accounts receivable is minimal because the Fund's receivable is from the General Revenue Fund – Ministry of Parks, Culture and Sport.

5. Investments

The Fund holds units in the RBC Canadian T-Bill Fund, which invests in high quality, short-term debt securities such as treasury bills. The RBC Canadian T-bill Fund has no fixed interest rate and its returns are based on the success of the fund manager. The fair value of investments approximates their carrying value due to their short-term nature.

6. Budget

The budget was revised and approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc. on January 26, 2013.

7. Expense by Object

The Saskatchewan Snowmobile Association Inc. (SSAI) provides the Fund with administration. The costs for administration is based on time SSAI staff spend to administer the Fund and reflect its share of accommodation, salaries, and some operating costs associated with administrating the Fund.

	2013	2012
	Total	Total
Transfers	$930,705	$1,200,751
Administrative Services from SSAI	134,000	117,468
Travel and meetings	14,251	11,411
Postage	6,676	5,904
Printing	2,585	2,075
Professional Services	525	26
Salaries	354	723
Amortization	-	272
Office Supplies	370	597
Bank charges	208	131
Other goods and services	106,516	90,016
	$1,196,190	$1,429,374

8. Related parties

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. Accounts receivable includes $56,140 (2012-$48,090) from the General Revenue Fund – Ministry of Parks, Culture and Sport. In addition, the Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

9. Designated assets

The Fund intends to pay, from the 2012-13 surplus, a transfer to clubs for trail funding in the amount of $1,347,158. This amount is subject to Board approval and will be paid in the 2013-2014 year.